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JOINT INSPECTION UNIT

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The General Assembly, by its decision 46/446 of 20 December 1991, inter alia requested the Advisory Committee on Administrative and Budgetary Questions:

> "within its mandate and with due respect to the statute of the Joint Inspection Unit, to examine the functioning of the Joint Inspection Unit, including the proposals thereon contained in paragraphs 12 to 16 of the 1991 report of the Unit, 1/ and, taking into account the views of the Unit on this subject, to submit to the General Assembly at its forty-seventh session recommendations for the enhancement of the productivity and performance of the Unit."

Pursuant to that request, and mindful of the parameters specified in the above-cited decision, the Advisory Committee submits herewith its observations and recommendations with respect to the Joint Inspection Unit (JIU).

2. As indicated in its report on its activities during its spring/summer session (1992) (A/47/7), the Advisory Committee traditionally meets with JIU each time it visits Geneva; however, bearing in mind the above-cited decision, the meetings in June 1992 were considerably more extensive and wide-ranging than usual and afforded the Committee the opportunity to exchange views with the Inspectors on a number of issues including the Unit's working conditions and methods, the treatment of its reports as well as the Inspectors' ideas for future improvement. The Committee was also provided with additional written information from the Inspectors.

3. In 1966 the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies recommended the establishment of a

small inspection unit of specialists highly qualified in financial and administrative matters; such specialists would visit the different services of the organizations to examine the way in which they operated and would propose any reforms they considered necessary. By its resolution 2150 (XXI) of 4 November 1966, the General Assembly created the Unit on an experimental basis for a four-year period; by virtue of two Assembly resolutions, it was subsequently extended until 31 December 1977.

4. By its resolution 31/192 of 22 December 1976, the General Assembly approved the establishment of the Unit in accordance with the statute of the Unit annexed to the same resolution. The Advisory Committee, after extensive discussions with the Inspectors and representatives of participating agencies, has concluded that the problem of enhancing productivity can be addressed without modifying the basic principles which underlie the existence and functions of the Unit. Indeed, closer adherence to what is already provided for in the statute will, in and of itself, result in a better functioning JIU. The Committee has therefore, for the purposes of the present report, grouped its recommendations along the basic areas covered by the articles of the statute.

5. The Committee also points out that many of the problems on which it comments in the paragraphs below are interrelated and that remedial action with regard to one will have a consequential effect on others.

Selection and appointment of Inspectors (articles 2-4 of the statute)

6. The Advisory Committee discussed this matter at some length with both the Inspectors and representatives of participating organizations. On the basis of those discussions, it is clear to the Advisory Committee that article 2, paragraph 1, of the statute should be closely adhered to; i.e. that the Inspectors shall be "chosen from among members of national supervision or inspection bodies, or from among persons of a similar competence on the basis of their special experience in national or international administrative and financial matters, including management questions".

7. The Committee is also of the view that in order to further enhance the Unit's productivity and performance, a way should be found to ensure that expertise available among the Inspectors covers every important area of administration and management; i.e., that there should be a specific defined mix of expertise. To this end vacancies in the Unit should be filled with due regard to the requirements for maintaining this balance. With this in mind, the Committee suggests that consideration be given to the submission of multiple candidates from those countries which, under the terms of article 3, paragraph 1, would be requested to propose candidates for a given vacancy in the Unit.

8. The Committee also emphasizes that adequate time should be made available for the consultative process to be completed. Although article 3, paragraph 2, of the statute stipulates that the President of the General Assembly, through appropriate consultations, including consultations with the

President of the Economic and Social Council and with the Chairman of the Administrative Committee on Coordination, shall review the qualifications of the proposed candidates and then submit the list of candidates to the General Assembly, it became apparent to the Committee during its discussions with participating agencies that sufficient time is not being allocated for such consultations.

Functions and responsibilities of Inspectors (articles 5-8)

9. As provided in the statute, the Inspectors have a number of functions and responsibilities. They are, inter alia, by means of inspection and evaluation, to provide an independent view aimed at improving management and methods and at achieving greater coordination between organizations. They are also to satisfy themselves that the activities undertaken by organizations are carried out in the most economical manner and that the optimum use is made of resources available. As provided by the statute, they shall make on-the-spot inquiries and investigations, some of which would be without prior notification.

10. The Advisory Committee recalls that in its report to the General Assembly at its forty-sixth session, 2/ the Inspectors themselves discussed new directions for the Unit, noting, inter alia, that while they intended to continue their evaluation work, work on evaluation methodology and internal evaluation systems would continue to diminish as much of the basic work had already been done. Moreover, recent General Assembly resolutions had invited the Unit to give greater attention to management, budget and administrative issues and concerns of the organizations and to concentrate more on specific and practical operational problems. In the circumstances, the Inspectors stated their desire to increase their work on operational issues in the management, budgetary and administrative areas. 3/

11. The Advisory Committee concurs with this course of action. However, in its view, the question of how such issues are studied should be addressed since this impacts to a great extent on the Unit's effectiveness and performance. In this connection, the Committee notes that, in recent years, a number of the Unit's studies have been more research- than inspection-oriented. As indicated by many representatives of participating organizations, such reports, while perhaps of interest, had limited usefulness, or, if considered necessary, could more appropriately have been undertaken by consultants.

12. The question of whether the role of JIU should be confined to evaluation and inspection, as called for in the statute, or expanded to include research, was discussed at great length with both the Inspectors and representatives of participating organizations. Although the consensus in JIU, as reported to the Committee, seems to be that the Unit should perform research in addition to evaluation and inspection, a concern was expressed by at least one Inspector as to whether such broad functions could be responsible for a lack of focus and of concentration on major and actual concerns of Member States and organizations.

13. In the circumstances, the Advisory Committee believes that since the research function does not necessarily enhance the capacity of the Unit to discharge its statutory obligations, it should be discontinued in favour of more inspection and evaluation as called for in the statute, with particular emphasis on determining, in accordance with article 5, paragraph 3, that the activities undertaken by the organizations are carried out in the most economical manner and that the optimum use is made of resources available for carrying out these activities. In the Advisory Committee's view, such determination should form an essential part of inspection and, if properly carried out, represents a valuable tool for both administrations and Member States. As discussed below, a more focused approach will also impact on, inter alia, the resources required for JIU.

14. Article 8 of the statute provides that the Unit shall determine standards and procedures for the conduct of inquiries and investigations; this also relates to article 6, which states, inter alia, that some of the inquiries and investigations by Inspectors may be without prior notification and that Inspectors shall be accorded full cooperation by the organizations at all levels, including access to any particular information or document relevant to their work.

15. Although the Inspectors have formulated internal standards and procedures, the Advisory Committee is of the view that these should be transformed into a formal set of inspection standards to be approved by the participating agencies and annexed to the statute, thereby ensuring a better compliance with those procedures by all concerned.

Mode of operation (see articles 9-12)

16. Article 9 provides that the Unit shall be responsible for preparing its annual programme of work, taking into account, "besides its own observations, experience and assessment of priorities as regards subjects for inspection, any requests of the competent organs of the organizations and suggestions received from the executive heads of the organizations and the bodies of the United Nations system concerned with budgetary control, investigation, coordination and evaluation".

17. The Advisory Committee exchanged views on this matter with both the Inspectors and representatives of the participating organizations. A number of concerns were expressed by the participating organizations, including the fact that the Unit was not responsive to the suggestions of the organizations in drawing up its work programme. At its request, the Committee was provided with data concerning the suggestions received from participating organizations in respect of the Unit's work programmes for the years 1988-1992; it notes that the number of suggestions received from participating organizations varied, as did the number of suggestions not accepted. Most of the suggestions received were from larger participating organizations.

18. Several agencies expressed the view that, as mentioned in paragraph 11, while a number of reports were interesting and informative, they were of

little value in terms of promoting a more efficient utilization of resources or more effective management, and that the above-cited roles of inspection and investigation were not being carried out. In the circumstances, as cited below, these agencies did not believe that they were receiving "value for money", and that many of the reports could have been undertaken by consultants.

19. The Inspectors are not oblivious to the importance of a relevant and timely programme of work. In this connection, the Advisory Committee notes that the Unit's internal guidelines and procedures outline the broad criteria by which the Unit should be guided in drawing up its programme of work, namely:

"(i) Concentration should be on studies in areas of importance and relevance to the United Nations system. Studies should be topical.

"(ii) Studies should have a direct bearing on the efficiency of services, substantively as well as administratively; should aim at improving management methods, attaining common or comparable standards and achieving greater coordination among organizations.

"(iii) The nature of studies should be such that they can be sufficiently focused in scope as to avoid generalities and lead to concrete recommendations resulting in reduced costs, improved outputs, a better quality of service ...; improved interpersonal relationships."

20. The guidelines also provide, inter alia, for a balance in the items chosen, stating that at least one item (either system-wide or for one organization) should be of interest to each participating organization, and that only a reasonable proportion of the items should be of concern to the entire United Nations system. The others should concern only one organization or a group of organizations located or active at one duty station.

21. In the opinion of the Advisory Committee, these guidelines form the foundation on which a relevant and timely work programme could be formulated (see also paras. 14-15). Regrettably, it is apparent that the guidelines have not, in all instances, been followed in drawing up the programmes of work of the Unit, thus prompting, as mentioned above, the General Assembly, in its resolution 45/237 of 21 December 1990, to encourage JIU, inter alia, to take a more selective approach in drawing up its work programme to give greater attention to management, budgetary and administrative issues ... and to concentrate on specific and practical operational problems and to address more precisely defined questions.

22. In its report to the General Assembly at its forty-sixth session, 4/ the Unit expressed its intention to enhance further its work-programming process by inter alia consulting more actively with its participating organizations and focusing more systematically on their changing priorities and concerns. The Unit also stressed the desire for a more active consultation with the Advisory Committee and the Board of Auditors. In addition, the Unit stated the need for a more comprehensive work-programming framework and strategy which, like the medium-term plan of the United Nations, would seek, inter alia, to stimulate longer-term thinking.

23. If this stated intent is in fact acted upon, the Advisory Committee sees no reason why the work programme and the resulting studies could not become a dynamic tool to be used by the participating organizations, in line with the original intent. However, the Advisory Committee emphasizes that legislative bodies also have a role to play. In order to ensure relevance of the work programme, governing bodies should become more involved in the work of the Unit; i.e., nothing should prevent such bodies from formally requesting the Unit to perform inspection and evaluation which they consider relevant and necessary.

24. As mentioned above, many of the issues being discussed are interrelated. If the selection process assures a suitable mix of expertise (see para. 7), legislative bodies will have more confidence in making requests of the Unit, which in turn will help to assure a balanced and relevant work programme. To the extent that such inspection and evaluation could be accommodated within a given work programme, the need for participating organizations to have recourse to outside consultants would be reduced.

25. The question of whether the programme of work of the Unit duplicates the work of similar bodies in various organizations (e.g. internal and external audit, management advisory services, inspector generals) was also discussed. Varying opinions were expressed as to whether in fact any duplication exists; at this juncture the Advisory Committee stresses the need for the Inspectors to bear in mind the role of such other bodies when drawing up their programme of work.

26. Article 11, paragraph 2, of the statute stipulates that "the Inspectors shall draw up, over their own signature, reports for which they are responsible and in which they shall state their findings and propose solutions to the problems they have noted. The reports shall be finalized after consultation among the Inspectors so as to test recommendations being made against the collective wisdom of the Unit."

27. The Advisory Committee notes that the above article is consistent with article 6, paragraph 1, which states that the Inspectors act singly or in small groups. Moreover, the General Assembly has reiterated the importance of testing the recommendations against the collective wisdom of the Unit.

28. The procedure for handling and processing reports is outlined in article 11, paragraph 4, of the statute; as indicated in subparagraph (c), "upon receipt of reports, the executive head or heads concerned shall take immediate action to distribute them, with or without their comments, to the States members of their respective organizations". Subparagraph (d) stipulates that "when a report concerns only one organization, the report and the comments thereon of the executive head shall be transmitted to the competent organ of that organization not later than three months after receipt of the report for consideration at the next meeting of the competent organ." If the report concerns more than one organization, subparagraph (e) provides that the concerned executive heads shall consult with one another and coordinate their comments, and that "the report, together with the joint

comments and any comments of the respective executive heads on matters that concern their particular organizations, shall be ready for submission to the competent organs of the organizations not later than six months after receipt of the Unit's report for consideration at the next meeting of the competent organs concerned."

29. Although the intent of article 11 may be the speedy consideration of the Unit's reports, it is clear to the Advisory Committee that in many instances, for a variety of reasons, consideration of the reports is unduly delayed. Moreover, the Committee was informed by both the Inspectors and representatives of participating organizations that consideration of the reports was often limited to taking note of them; i.e., no real debate or discussion on the reports is held in governing bodies. The Advisory Committee reiterates the importance not only of the consideration of the reports of JIU by the governing bodies, but also of the need to follow up the implementation of JIU recommendations which have been approved (see also paras. 32-37).

30. The reasons for the delay and lack of discussion are varied. Reports of limited relevance or impact are likely to receive a low priority in organizations; hence the preparation of comments may be delayed. Debate on these reports is also unlikely to be substantial. To the extent that reports are well prepared with realistic recommendations, they will be considered with greater interest and in a more timely fashion.

31. Even in instances where a report is well prepared, delays in the preparation of comments may ensue for a variety of reasons. It is, in the opinion of the Advisory Committee, incumbent upon executive heads to ensure that such delays are minimized. It is equally incumbent upon legislative organs to insist on a swift submission of reports/comments and to take appropriate expeditious action themselves.

32. Article 12 of the statute deals with the recommendations of the Unit which are approved by the competent organs of participating organizations. As indicated therein, executive heads of organizations are to ensure that they are implemented as expeditiously as possible.

33. This question was discussed extensively by the Advisory Committee. The Committee was informed by a number of participating organizations that in many instances either the recommendations contained in the JIU reports were too general or their implementation would entail financial resources not available. Thus even when a recommendation has been agreed to by a governing body, implementation is either difficult to measure in specific terms or not always possible due to financial constraints.

34. The Advisory Committee, in an attempt to quantify this problem, requested information from the Unit on the implementation rate of its recommendations. The Committee was informed that, since its inception, the Unit has produced some 275 reports and notes. Each report contains an average of five recommendations, giving an approximate total of some 1,400 recommendations. Roughly one third of the reports are system-wide or relevant to several organizations of the system.

35. The Unit indicated that, given the time and resources which would be involved, it was not in a position to determine the extent to which all of these recommendations have been implemented; however, the Advisory Committee was provided with JIU Report Implementation Sheets in respect of nine JIU reports. In three cases, the Unit noted that some implementation (less than 50 per cent had taken place); in two instances, the category "other (e.g. hard to tell)" was checked. In three cases the major recommendations had been approved by the intergovernmental bodies but no implementation had occurred as yet. In one case more than 50 per cent of the recommendations contained in the report had been implemented.

36. In the opinion of the Advisory Committee, this is a multi-faceted problem. On the one hand, the Committee appreciates that some recommendations are, by their very nature, more general in nature, and thus more difficult to measure in terms of implementation. On the other hand, the Committee is of the opinion that, as called for in the Unit's own guidelines, "the nature of studies should be such that they can be sufficiently focused in scope as to avoid generalities and lead to concrete recommendations ..."

37. The Advisory Committee is also of the view that governing bodies should be aware of the implications of what they might approve in the form of various recommendations. The Committee therefore recommends that consideration be given to introducing a form of budget implication statement in respect of recommendations whose implementation would entail major financial expenditures. Indeed, the Committee believes that it might be useful for the executive heads to provide specific information in this regard in the context of their comments on the Unit's reports.

Conditions of service (articles 13-15)

38. Article 15 stipulates that the Inspectors shall not accept other employment during their term of office; nor shall an Inspector be appointed or serve as an official or consultant of an organization while in office as an Inspector or within three years of ceasing to be a member of the Unit. In the opinion of the Advisory Committee, it is essential that this article be strictly observed.

Administrative, budgetary and financial arrangements (articles 16-20)

39. As provided for in article 20, the budget of JIU shall be included in the regular budget of the United Nations; the expenditures of the Unit shall be shared by the participating organizations as agreed by them. The budget of the Unit for 1992-1993, as approved by the General Assembly at its forty-sixth session, totals $7,452,700 and does not include the additional resources which the Inspectors had initially requested. Those resources, as summarized in the report of JIU to the forty-sixth session of the Assembly, included the addition of two research officer posts (1 D-1 and 1 P-4), an increase in the Unit's travel budget, and the acquisition of computer workstations.

40. As mandated by General Assembly decision 46/446, these proposals are to be examined by the Advisory Committee. During its meetings in Geneva, the Inspectors emphasized their importance; the Committee also discussed them with the participating organizations.

41. In this connection, the point was made by some organizations that, just as the agencies are subjected to zero growth in their budgets, so also should JIU. Others questioned whether the contribution made by the Unit even justifies the current level of the budget. Another organization said that the current JIU is too large and costly, and should be significantly downsided. Doubts were also expressed whether an increase in resources represented the solution to improving JIU's effectiveness.

42. The Advisory Committee is of the view that an increase in resources should not be entertained at the present time; it would consider an increase in computer resources in the context of the proposed programme budget, taking account of the contribution computers may make as a way of improving productivity. In the Committee's view, efforts should be made to effect the changes discussed in the preceding paragraphs (e.g. better selection process and improved programme of work, less emphasis on research) since these will impact on the overall requirements of the Unit; an assessment of the additional resources, if any, would best be made once this has been done.

43. The Advisory Committee would also like to comment on its relations with JIU. In this connection, the Inspectors, in their report to the General Assembly at its forty-sixth session, indicated their desire for closer cooperation with the Advisory Committee.

44. The Advisory Committee exchanged views on this with the Inspectors. While acknowledging that it can indeed identify certain areas which JIU might usefully investigate, the Committee does not believe that it is advisable to establish an additional institutional link between the two bodies.

Notes

1/ Official Records of the General Assembly, Forty-sixth Session, Supplement No. 34 (A/46/34).

2/ Ibid., part two, para. 22.

3/ Ibid., paras. 22, 23 and 26.

4/ Ibid., part one, paras. 21-23.